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**Fifth Committee**

**Summary record of the 40th meeting**
Held at Headquarters, New York, on Monday, 7 December 1998, at 10 a.m.

*Chairman*: Mr. Armitage (Vice-Chairman) ..... (Australia)
*Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Mselle

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*In the absence of Mr. Abelian (Armenia), Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

*The meeting was called to order at 10 a.m.*

**Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)**

*Proposed programme budget outline for the biennium 2000–2001 (continued)* (A/53/16 (part two, chap. II), A/53/220 and A/53/718 and Corr.1)

1. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, emphasized that the resources provided in the proposed programme budget outline for the biennium 2000–2001 should be commensurate with legislative mandates. The budget estimates for the biennium 2000–2001 should enable the Secretariat to implement fully all mandated programmes and activities. In formulating the proposed programme budget for the biennium 2000–2001, the Secretariat must fully respect the priorities established by the General Assembly in the medium-term plan.

2. With regard to the proposals in the proposed programme budget outline to increase or decrease resources in different sections of the programme budget, the Group of 77 and China requested detailed justification in writing for the proposed increases or decreases and a list of all the legislative mandates for which increases or decreases had been proposed. They were particularly interested in the increase in part IX (Internal oversight) of the preliminary indicative estimates for the biennium 2000–2001, which accounted for approximately 5 per cent of the proposed appropriations for the biennium 2000–2001 but was not a priority in the medium-term plan for the period 1998–2001 provided for in General Assembly resolution 51/219.

3. On the subject of appropriations for special political missions, the Group of 77 and China noted that the options proposed by the Secretary-General were not in accordance with the provisions of annex 1, paragraph 11, of General Assembly resolution 41/213. It therefore supported the recommendations made by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in paragraphs 9 and 10 of its report (A/53/718 and Corr.1).

4. The Group of 77 and China were of the view that, as a part of the regular budget, the Development Account should be treated in accordance with the existing rules and regulations and resolutions of the General Assembly. The proposals for the utilization of the amount of $13 million should therefore be included in the budget fascicles for consideration by the Committee for Programme and Coordination (CPC), ACABQ and the Fifth Committee, in accordance with established procedures.

5. The Group of 77 and China noted with concern the observation of ACABQ concerning the exclusion from the budget outline of $20 million related to compensating economies, and shared the Advisory Committee's conclusion that that figure had been arrived at in a fairly arbitrary manner and that the place to reflect the results of efforts to achieve a more efficient utilization of resources should be in the proposed programme budget and/or the performance reports. They also endorsed the Advisory Committee's recommendation on the level of estimated resources for the programme budget for the biennium 2000–2001. A number of departments had expressed the view that further economy measures would affect the efficient and effective implementation of their respective programmes of work. Their views should be taken into account to ensure that all sections of the budget were provided with adequate resources for their smooth and efficient functioning.

6. The proposal concerning results-based budgeting would lead to a radical departure from current programme planning and budgetary practices which had been repeatedly reaffirmed by the General Assembly. The Advisory Committee and the Fifth Committee should therefore undertake an in-depth review of the more detailed report which the Secretary-General had been requested to submit on that proposal and no action should be taken by the Secretariat to implement results-based budgeting until the General Assembly had decided on the appropriate course of action. The issue of net budgeting also merited further examination.

7. The provisions of General Assembly resolution 41/213 which, *inter alia*, established the procedure for meeting additional expenditure after approval of the budget, should be fully respected and implemented. The contingency fund should therefore be utilized in accordance with the provisions of that resolution and conditionalities in the decision-making process designed to circumvent budgetary implications should be avoided.

8. **Ms. Castellanos González** (Guatemala), speaking also on behalf of Costa Rica, the Dominican Republic, El Salvador, Honduras and Nicaragua, endorsed the statement just made by the representative of Indonesia on behalf of the Group of 77 and China, but wished to make a number of additional observations.

9. The programme budget was the principal instrument for establishing the priorities of the Organization and a barometer for measuring the effectiveness and efficiency of its functioning. Since the demand for resources for

programmes inevitably exceeded the capacity of Member States to contribute to the work of the Organization, it was essential that the scarce resources available should be used as efficiently as possible.

10. In that connection, she welcomed the report of the Secretary-General on the proposed programme budget outline for the biennium 2000–2001 (A/53/220), which must be seen in the context of the ongoing programme of reform of the United Nations. In order to succeed, reform required financial stability so that changes could be introduced in an orderly manner and fulfil their objective of adapting the Organization to more modern management methods and structures.

11. The proposed programme budget outline was merely a starting point for negotiations on the programme budget for the biennium 2000–2001. The Central American countries and the Dominican Republic, for example, would like to see additional resources allocated for development programmes. They therefore viewed with concern the proposal in the annex to document A/53/220 that there should be a substantial increase in funding for a part of the budget which Member States had not considered a priority at the time of the adoption of General Assembly resolution 51/219. They were also concerned at the apparent suggestion in paragraphs 6 and 7 of the Secretary-General's report that compensating economies in the order of $20 million would be earmarked to offset new resource needs for the biennium 2000–2001. That suggestion was not in keeping with the spirit of General Assembly resolution 41/213.

12. Adapting the programme budget to established priorities should nevertheless provide for a rapid response capacity in order to ensure that the Organization was present wherever it was most needed. The current financial crisis affecting the economies of the developing countries and the devastating effects of hurricane Mitch in Central America and hurricane Georges in the Dominican Republic, for example, which could not have been foreseen in 1996 when the previous programme budget outline had been adopted, were examples of the need for such a response capacity. From the perspective of Central America and the Caribbean, those two developments alone called for a redirection of resources to the areas of greatest need.

13. The States on whose behalf she spoke would prefer to see the continued implementation of the provisions of General Assembly resolution 41/213, not only because of the establishment of priorities and the determination of resource changes over previous bienniums, but also because decisions were to be adopted without a vote.

14. The question of the funding of special political missions was a delicate one. Such funding was not included in regular budget proposals and later requests for authorization inevitably created difficulties. She hoped that a lasting solution could be found to provide funding for such activities with effect from the following biennium.

15. Lastly, the consideration and adoption of the proposed programme budget for the biennium 2000–2001 was based on the assumption that all Member States would pay their assessed contributions in full and on time. It was unacceptable that some of the major contributors to the Organization should be substantially in arrears in the payment of their contributions.

16. **Mr. Watanabe** (Japan) said that, like many other Member States that were experiencing fiscal and budgetary difficulties, Japan was still making its financial contributions to support the activities of the United Nations. The Organization should therefore continue to streamline its budgetary and administrative procedures in order to improve efficiency without adversely affecting the full implementation of all mandated programmes and activities.

17. His delegation shared the views of ACABQ that the provisions for special political missions should be included in the proposed programme budget outline, since the purpose of the outline was to enable all Member States to understand in advance the level of financial contributions which they would be expected to make to the Organization.

18. His delegation supported the Secretary-General's proposal that resources for new activities and events foreseen and mandated in the biennium 2000–2001 should be secured by means of compensating economies. The $20 million in compensating economies should therefore be presented to Member States in the context of the programme budget proposals for the biennium 2000–2001.

19. Lastly, the Government of Japan, which would be contributing more than 20 per cent to the financing of the Organization, would wish to see zero nominal growth in the proposed programme budget outline for the biennium 2000–2001.

20. **Mr. Cho Chang-beom** (Republic of Korea) said that the proposed programme budget outline for the biennium 2000–2001, which provided for nearly zero growth over the previous biennium, reflected the spirit of the current reform of the Organization, which was to produce more with less resources. It should be emphasized, however, that the ultimate goal of United Nations reform was not to achieve savings for their own sake but to strengthen the role and

functions of the Organization by increasing its productivity and efficiency.

21. His delegation noted with concern that the proposed programme budget outline for the biennium 2000–2001 excluded requirements for special political missions and it shared the Secretary-General's view that the current arrangements for securing resources for such missions through additional appropriations midway through the biennium were not satisfactory and undermined the very purpose of the programme budget outline. Resources for special missions should therefore be provided in advance and included in the proposed programme budget outline.

22. With regard to the projected $20 million in compensating economies, his delegation could not find adequate justification in the report for such economies or any indication of their possible impact on existing mandates. It therefore agreed with ACABQ that the compensating economies should more properly be reflected in the proposed programme budget and/or the performance reports.

23. Lastly, his delegation noted with satisfaction that the proposed programme budget outline for the biennium 2000–2001 continued to reflect the priorities set out in the medium-term plan for the period 1998–2001. It agreed with the Secretary-General's proposal that the size of the contingency fund should be maintained at the same level as in the previous biennium, in other words at 0.75 per cent of the proposed outline.

**Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)**

*Utilization of the development dividend (continued)* (A/53/7/Add.4, A/53/374 and 664; A/C.5/53/30 and 40)

24. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, noted that ACABQ had not analysed the project costs annexed to its report on the utilization of the development dividend (A/53/7/Add.4). A considerable amount was proposed for consultants and contractual services and the proposed consultancy fees of approximately 25 per cent of the available amount needed justification. Too much emphasis had been placed on studies for several of the projects: the United Nations had already produced studies that could be used for implementing Development Account projects. The position of the Group of 77 and China on the question was set out in the letter dated 11 November from the Permanent Representative of Indonesia to the United Nations addressed to the Chairman of the Second Committee (A/53/664), but they wished to highlight some points.

25. Resources appropriated under section 34 should be used to fund new projects only for developing countries in accordance with the development priorities set in the medium-term plan. The following criteria should be applied: (a) projects should have a multiplier effect and promote capacity-building for developing countries only, responding to their needs and priorities; (b) they should promote regional and interregional economic and technical cooperation between developing countries; (c) they should complement and not replace existing programme activities; (d) they should relate to new activities not already mandated under the programme budget; (e) they should not involve the transfer of resources from the regular budget to extrabudgetary activities; and (f) they should have a strong South-South cooperation content.

26. Some of the Secretary-General's project proposals described in his report (A/53/374) did not conform to those criteria. He should be asked to review and, as appropriate, reformulate the proposals to bring them into line with those criteria and report back to the General Assembly by March 1999. However, the Group of 77 and China was ready to consider the activities described in project proposals A, B, D and E. The implementation of approved projects and the performance evaluation of activities financed through the Development Account should be monitored strictly in accordance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. Since the Development Account was part of the regular programme budget, no new procedure should be contemplated for its operation.

27. **Mr. Dobe-Mbalanga** (Democratic Republic of the Congo) said that his delegation endorsed the statement just made on behalf of the Group of 77 and China. It attached great importance to the Development Account since it represented the first attempt to take up the big challenge of underdevelopment, to which no adequate response had yet been found. In fact, all the efforts to break the vicious circle of underdevelopment in the affected regions had failed for want of financial resources. Factors such as the internal contradictions of those regions were involved, but the main causes of their underdevelopment lay in their history and in an international economic and trade machinery which did not favour their economic growth.

28. Accordingly, only the developing countries should benefit from the resources made available for development projects under the Development Account, in accordance with the priorities set in the medium-term plan. Such an approach would not impair the Organization's universality but would instead enhance its credibility by making underdevelopment

a truly world undertaking free from any profit motive and designed to correct the inequalities in the international system. His delegation supported the criterion of networking for development used in the establishment of the projects. Information technology had become an essential aspect of international life, but many developing countries still did not have access to the international information networks. It agreed with the Advisory Committee in welcoming the Secretary-General's efforts to include performance indicators in every project. It noted that the proposed projects did not involve staff costs and that project maintenance costs still had to be included.

**Agenda item 119: Human resources management** (*continued*) (A/53/501; A/C.5/52/2)

29. **Mr. Abreha** (Ethiopia) said that he wished to throw some light on the statement made at the 38th meeting by the Assistant Secretary-General for Legal Affairs concerning some Eritrean staff members of the United Nations common system in Addis Ababa who had been declared undesirable aliens by the Government of Ethiopia. His delegation had hoped that its statement on the points raised in paragraph 68 of the Secretary-General's report on privileges and immunities (A/53/501) and the consultations between the Government of Ethiopia, the heads of the United Nations agencies involved and the Legal Counsel would have helped to clarify the circumstances under which certain locally recruited Eritrean staff members had been requested to leave Ethiopia. It had hoped that the Legal Counsel, in particular, would be able to appreciate the seriousness of the matter, especially in view of the Government's requirement that immediate action should be taken to avert the danger to the country's security.

30. To his delegation's astonishment, the Legal Counsel had in effect indicted the Ethiopian Government on counts ranging from human rights violations to violation of its international obligations. He had not approached the matter with the necessary caution, sensitivity and professionalism. Further, the statement by the Assistant Secretary-General had lacked the neutrality and professionalism expected of the United Nations with respect to national security issues arising out of a conflict between two Member States. The problem was not merely a misunderstanding between the United Nations and the Government in the course of normal operations in Ethiopia; it was an issue of national security resulting from the unprovoked aggression of the Eritrean regime against Ethiopia and the illegal activities of some Eritrean staff members of the common system, who were active members of the clandestine network established to destabilize Ethiopia and advance the Eritrean aggression. They had been given a central role in the "internal war" which the Eritrean leadership threatened against Ethiopia.

31. His Government had clear intelligence information on how the Eritrean regime used Eritrean staff members in Addis Ababa to destabilize Ethiopia. Those staff members had in fact spied against the country's security, defence and economic interests. Such activities were incompatible with the status of an international civil servant. The Charter of the United Nations and the relevant headquarters agreements required staff members to refrain from any action which might reflect badly on that status. Privileges and immunities were accorded for the independent exercise of the functions of the Organization's staff. The assertion by the Legal Counsel that the measures taken by the Government of Ethiopia were in violation of its obligations was unwarranted and baseless. Moreover, the staff members in question had violated the Staff Rules and Staff Regulations, the Code of Conduct for United Nations Staff, and the 1954 Standard of Conduct in the International Civil Service. The privileges and immunities could not be accorded to the locally recruited Eritrean staff members, and the United Nations should cooperate in the measures taken by the Government, as it had done in similar cases involving other Member States.

32. The Legal Counsel must re-examine the issue in the light of Ethiopia's national security needs and the explanations given by his delegation at the current meeting and on previous occasions. That would save the Legal Counsel from taking a political stand in a conflict between two Member States. His delegation had tried to clarify the Government's decision. It had never questioned the Secretary-General's report or requested any further response from the Legal Counsel. It was therefore surprising that the Legal Counsel had issued its nine-page accusation. He wondered what the motive and the expected result of such an approach could be, and since when the Legal Counsel had represented the Organization of African Unity and embassies in Addis Ababa in making unwarranted accusations. As the host country to the Economic Commission for Africa and other organizations of the United Nations system, Ethiopia respected those institutions and their staff and valued its relations with them. It would continue to do so under all circumstances.

33. **Mr. Ubalijoro** (Rwanda) said that, for the fourth successive year, his delegation was dismayed that the Secretary-General's report had been issued in the same format, containing a consolidated list of staff members who were under arrest or detention or were missing. The report presented a distorted picture: it failed to point out that the list of Rwandans under arrest included many persons suspected of involvement in the 1994 genocide and of killing

their locally recruited United Nations colleagues. When the genocide had begun in 1994, the United Nations Assistance Mission in Rwanda (UNAMIR) had evacuated all the expatriate United Nations staff, leaving the locally recruited staff behind at the mercy of the genocidal militias and some of their United Nations colleagues. His delegation again requested the Secretariat to explain the criteria used for the recruitment of United Nations staff in Rwanda before 1994. He wondered whether a genocidal mindset was a qualification. The application of double standards did not enhance the Organization's mission statement.

*The meeting rose at 11.05 a.m.*